Housing Starts

Alberta housing starts fall to 7 year low…

In August, housing starts in the province fell to an annualized rate of 22,900, the lowest level since early 2001. In the first eight months of 2008, starts were down 32% compared to the same period in 2007. In the Edmonton area, starts were down by 50.6% so far in 2008. In Calgary, strong multi-family unit starts, which were up 54.8% year-to-date, have kept overall housing starts near last year's level, slipping by just 1.4%. Single family starts, however, were down by 42.9% in the city.

Nationwide, housing starts rebounded to 211,000 in August, a 13.1% increase from the previous month, well above most analysts' expectations. The increase was mostly a result of strong multi-family starts in Ontario.

New House Price Index

House prices fall for seventh straight month…

New home prices in Alberta continued to moderate in July, slipping 0.2% from June. Compared to July 2007, housing prices were down 2.7%, the first year-over-year decline in housing prices in 12 years. Alberta's housing markets continue to adjust to large inventories of unsold homes and slowing interprovincial migration, as new home prices were down 5.3% from July of last year in Edmonton and 0.3% in Calgary.

↓	**Cdn Dollar (US¢/CS)**	
	September 12, 2008	94.3
	September 5, 2008	94.0
	2008-09 YTD	97.8
↓	**WTI Oil US$/bbl**	
	September 11, 2008	$ 100.87
	September 4, 2008	$ 107.89
	2008-09 YTD	$ 123.10
↑	**Nymex Natural Gas CS/MMBtu ***	
	August Contract	
	September 12, 2008	$ 8.14
	September 5, 2008	$ 7.82

*Estimate based on Nymex Futures Market Price

Nationally, new home prices have remained basically flat for the past few months. Compared to July 2007, prices have increased 2.7%.

Building Permits

Strong non-residential construction permits offset by weak residential activity…

Building permits fell 3.9% from June to July. In the first seven months of 2008, residential permits were down by 26.0% compared to the same period last year. On the other hand, non-residential construction permits were up 15.1% so far this year.

Merchandise Trade Balance

High oil and natural gas prices push up Alberta exports in July…

In the first seven months of 2008, exports of goods from Alberta were up 32.6% compared to the same period in 2007. The increase is a result of higher prices for energy (+40.5) and agricultural (+26.4) exports. Canada's merchandise trade surplus declined from June to July to $4.9 billion, as imports (+4.6%) grew faster than exports (+2.2%). In the U.S., the trade deficit grew by $3.4 billion from June due to higher prices for imported oil.